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India-MERCOSUR Preferential Trade Agreement Becomes Effective

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Report Highlights:

The India-MERCOSUR preferential trade agreement (PTA) entered into effect on June 1, 2009. Major agricultural product groups covered in the offer list of India under this PTA are crude soybean oil, meat and meat products (mostly pork meat and no poultry), raw hides and skins, leather article, wool, cotton yarn, and denatured ethyl alcohol, for which margin of tariff preferences given by India range from 10 to 100 percent.

General Information:

The India-MERCOSUR preferential trade agreement (PTA) entered into effect on June 1, 2009 (See www.cbec.gov.in/customs/cs-act/notifications/notfns-2k9/cs57-2k9.htm). MERCOSUR is a South America trading bloc comprising Argentina, Brazil, Paraguay, and Uruguay, formed in 1991.

Major agricultural product groups covered in the offer list of India under this PTA are crude soybean oil, meat and meat products (mostly pork meat and no poultry), raw hides and skins,

leather article, wool, cotton yarn, and denatured ethyl alcohol, for which margin of tariff preferences given by India range from 10 to 100 percent. In the case of soybean oil, however, a 10 percent tariff concession is available only for Paraguay under a tariff rate quota of 30,000 tons per year. Thus, major soybean oil suppliers to India such as Argentina and Brazil will not benefit from the duty concession granted to soybean oil under this PTA. However, all the MERCOSUR countries will benefit from the 100 percent duty concessions on most raw hides and skins. The current GOI import duty on most hides and skins is 10 percent.

The MERCOSUR offer list to India includes food preparations, essential oils, etc. Details about the PTA, offer list, rules of origin, safeguard measures, etc. can be accessed from http://commerce.nic.in/trade/international_ta_indmer.asp